

**ORIGINAL**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.**

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AUG 21 1998

In re the Matter of )  
 )  
1998 Biennial Review -- Review of the )  
Commission's Broadcast Ownership Rules )  
and Other Rules Adopted Pursuant to Section 202 )  
of the Telecommunications Act of 1996 )

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

MM Docket 98-35

TO: The Commission

**REPLY COMMENTS OF  
GILLIAM COMMUNICATIONS, INC.  
dba WLOK Radio**

One of this nation's greatest distinctions is that by virtue of our Constitution, we give voice to our differences. This freedom to express our views is vital to the success of a pluralistic society such as ours. Due in good measure to freedom of speech, we have become a nation in which the whole is indeed greater than the sum of its parts. Diverse broadcast ownership is an important factor in the multiplicity of voices we hear. Diversity of ownership protects diversity of viewpoint. The reason ownership diversity protects viewpoint diversity is simply that each ownership entity has its own distinct "corporate culture." No matter how many different stations or outlets an entity may own, its overall corporate culture will greatly influence its decisions. For that reason, the reduction we have seen in media ownership, especially in minority and small business ownership, does reduce diversity of viewpoint. And more poignantly, we may well be looking at only the tip of the iceberg in terms of ownership reduction, especially in the top 150 markets.

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The 1996 Act, in and of itself, need not necessarily lessen diversity of ownership. However, that has been the result because certain companies have chosen to amass far more broadcast outlets than would be required to achieve economies of scale and more effective competition. Many of the radio companies are buying and holding marginal and losing properties, in addition to their highly profitable properties, because they can afford to do so and speculate on the future value of the marginal and losing properties. Our previous comments on the 1996 Act specify in more detail what our company has found in this regard. Yet it is not the Act per se that has lessened diversity of ownership and viewpoint but rather the behavior of companies that has derived from the Act.

It appears that the Commission is unanimous in recognizing the value of having diversity of viewpoints, although it may not be unanimous on exactly how to achieve this. We believe the Commission should come together unanimously in two ways:

1. Issue a firm, unequivocal statement that clearly conveys the message that the Commission considers that it is essential in our pluralistic society that the 1996 Act not become the vehicle for a reduction in viewpoint diversity because of the increasing concentration of media ownership, and that the current trend must be reversed. The Commission need not get involved in specifics as to how this goal should be achieved, but it can emphatically state the principle and leave it to the large broadcasters to determine what measures they will take. In this way the Commission would utilize its role as a "bully pulpit" to encourage companies which have greatly benefitted from the 1996 Act to, at the very least, spin off their marginal and losing properties in ways that will contribute to increased ownership diversity and therefore greater viewpoint diversity.

2. Issue immediately a notice of proposed rulemaking that proposes specific reductions in the number of stations a company may own in a given market as well as in all markets taken

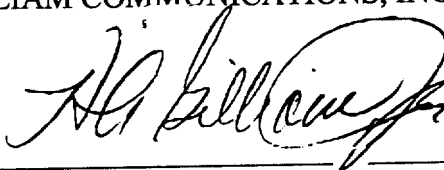
together. We believe the Commission should make very clear its intention to implement the rulemaking if the current trend in ownership diversity is not quickly reversed. The large broadcasters that have resulted from the industry's consolidation have the wherewithal to significantly reverse the trend without any FCC rule changes or changes in the law and without any loss of competitive advantage, especially since losing properties convey no competitive advantage. To achieve the goal of greater diversity, the large broadcasters need only to change their behavior. If a change in behavior does not occur, the Commission will have positive proof of the need for the rulemaking and should proceed without hesitation to change the rules. If ownership diversity does increase significantly on a voluntary basis, there may be no need for the proposed rulemaking. However, the issuance of such a proposed rulemaking is, in our view, essential if the bully pulpit approach is to be effective.

It is our belief that the Commission should not engage in any "negotiation" with respect to a quid pro quo for broadcasters that undertake measures to increase ownership diversity, because those measures are so clearly in the national interest and tradition of America that they should be voluntarily undertaken for that reason alone. Further, until greater ownership diversity is achieved, the Commission should flatly refuse to recommend any further lessening of rules which

relate to this matter. In the long term, however, the reward for good behavior could be a further lessening of the rules.

Respectfully submitted,

GILLIAM COMMUNICATIONS, INC.

By: 

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August 21, 1998